

News Release



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Contact: Gloria Della
Phone: (202) 693-8664

Executives of Defunct Illinois Corporation Ordered to Pay Debts Owed to Welfare Plans

CHICAGO--Executives of defunct Omni Circuits, Inc., of Glenview, Ill., were ordered to repay \$23,996 to the company's health, dental and life insurance plans and to distribute that money to 72 participants, according to a consent judgment and order obtained in January by the U. S. Department of Labor.

In addition, the judgment bars James E. Schwarz, Sr., and his daughter, Corinne Moderhock, from service to any plan governed by the Employee Retirement Income Security Act (ERISA). They also must pay all administrative costs associated with distributing the money to the plans' participants. Omni Circuits, which was the plans' administrator, ceased operations on Feb. 21, 2002.

The department sued Schwarz and Moderhock, who were, respectively, the company's President and Vice President for Finance, over the delinquent premiums and payments made by employees.

"This action underscores Labor Secretary Elaine L. Chao's commitment to protect the benefits that employers promise to their employees," said Ken Bazar, director of the Chicago regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions, civil penalties and any applicable excise taxes. For more information see www.dol.gov/ebsa.

EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach the Chicago regional office at (312) 353-0900 or through EBSA's toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

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(Chao v. Schwarz)
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